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IN THE
Supreme Court of the United States

OCTOBER TERM 1944.

No. **970**

CONDENSER CORPORATION OF AMERICA, *Petitioner,*

v.

MICAMOLD RADIO CORPORATION, *Respondent.*

PETITION OF CONDENSER CORPORATION OF AMERICA FOR A WRIT OF CERTIORARI TO THE CIRCUIT COURT OF APPEALS FOR THE SECOND CIRCUIT AND BRIEF IN SUPPORT THEREOF.

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*To the Honorable the Chief Justice of the United States and
the Associate Justices of the Supreme Court of the
United States:*

Your petitioner, Condenser Corporation of America, respectfully prays for a writ of certiorari to the Circuit Court of Appeals for the Second Circuit to review the judgment of that Court entered on November 30, 1944. A certified transcript of the record in the case, including the proceedings in said Circuit Court of Appeals, is furnished herewith in accordance with the Rules of this Court.

SUMMARY AND SHORT STATEMENT OF THE MATTER INVOLVED.

(1) This is a patent infringement suit brought by Condenser Corporation of America, a corporation of New York, against Micamold Radio Corporation, a corporation of New York, on Letters Patent No. 1,940,847, granted December 26, 1933 to Harold I. Danziger for Apparatus for Winding Coil Condensers (R. 235). The claims in suit are 1, 2, 3, 9, 10, 11 and 12.

(2) The patent in suit is concerned with a machine for winding electrical condensers from alternate strips of paper and very thin and fragile metal foil (R. 215, finding 11). The strips are taken from separate rolls and wound together on a mandrel to form a coil, and when a predetermined amount of paper and foil have gone into the coil so that the coil will satisfy certain definite electrical requirements, the strips are automatically cut off. The Danziger machine provided manufacturers of coil condensers with their *first automatic machine*, removing the human factor as a source of error in handling and cutting the strips to the right length, as well as a cause of dirt and grease getting onto the strips, with the consequent alteration of the electrical characteristics of the condensers (R. 215, finding 16).

(3) Both petitioner and respondent are manufacturers of condensers. Petitioner acquired title to the patent in suit in June 1940, but had been operating under this patent as a licensee since June 1934, and has continued to operate thereunder, by winding coil condensers on machines built under this patent (R. 13, 260).

(4) Prior to assigning the patent in suit to petitioner, Danziger had made and sold to manufacturers of coil condensers approximately 100 winding machines substantially conforming to the disclosure of the patent in suit, and he also granted licenses to condenser manufacturers among

which were Western Electric Company, General Electric Company and RCA Manufacturing Company (R. 260, 261). Respondent first acquired thirteen of the Danziger machines (R. 98) and thereafter, without the authorization of Danziger or petitioner, converted certain hand operated winding machines into automatic machines, thereby infringing the patent in suit (R. 102, 115).

(5) On February 10, 1941, petitioner filed its complaint against respondent in the United States District Court for the Eastern District of New York. This case was duly tried before the late Judge Marcus B. Campbell who, on January 24, 1944, filed his opinion (R. 194), and also findings of fact and conclusions of law (R. 213), holding claims 1 to 3 and 9 to 12 of the patent in suit to be valid and infringed. Respondent then appealed to the Second Circuit Court of Appeals, and the latter on November 30, 1944 entered its judgment reversing the District Court and holding claims 1 to 3 invalid and claims 9 to 12 not infringed.

(6) Prior to Danziger's invention of the automatic machine of the patent in suit coil condensers were made by rolling the alternating strips of foil and paper into a coil, and then the paper and foil strips were cut to desired, relative lengths by hand. To avoid contact between adjacent foil strips, the end of the intermediate paper must be cut to a length projecting beyond at least one of the foil ends, and in order that the electrical characteristics of the condenser shall adhere closely to standard requirements, the amount of paper and foil going into each condenser should be nicely controlled. Cutting of the strips should thus be a precision operation. Prior to Danziger the hand-cutting of the strips, as by shears, not only involved some handling, with resultant soiling of the strips, but it also resulted in variations in the amount of paper and foil going into different condensers, with consequent variations in the electrical characteristics of the condensers (R. 215).

(7) Hand-operated winding machines were known at least as early as 1905. The Siemens British patent No. 13,682 of 1905, which was the only patent relied upon by the Second Circuit Court of Appeals in holding claims 1 to 3 of the patent in suit to be invalid, was a hand operated winding machine seen in use by one of petitioner's witnesses at the British plant of Siemens Brothers & Company in 1910 and again in 1918 (R. 216). The foil cutter shown in the British patent was not operative, and the strips of foil and paper were cut by the operator with scissors (R. 170). Not until twenty years later, when Danziger produced his machine in 1925, was automatic operation introduced.*

(8) The Siemens British patent was also cited by the Patent Office to show the state of the prior art, and the claims in suit were allowed over this patent (R. 197). Neither the Patent Office nor respondent has shown the existence of an automatic winder prior to Danziger.

(9) The Second Circuit Court of Appeals, however, held claims 1 to 3 to be invalid as involving no invention over the Siemens disclosure. It conceded that the history of the art should be looked to in deciding the issue of invention, and agreed that knowledge of the Siemens British patent must at least be imputed to Danziger to determine the measure of his step forward. But it then proceeded to reason that there was no presumption that the rest of the art knew of the Siemens disclosure; it apparently overlooked the evidence as to the use of this machine in the Siemens plant, asserting " * * * it does not appear that the Siemens disclosure was ever exploited, or became

* Judge Campbell said (R. 199): " * * * I am impressed by the fact that the Siemens Patent was accepted October 12th, 1905, and with the desire there was for an automatic condenser winder, the Siemens Patent was not availed of, and there was no satisfactory automatic condenser winder on the market until Danziger, the patentee of the patent in suit, produced the first satisfactory automatic condenser winder."

known to the art in any other way;" and with what is believed to be a misinterpretation of this Court's decision in *Goodyear Tire & Rubber Company v. Ray-O-Vac*, 321 U. S. 275, 278, 279, it arrived at the conclusion that lapse of time is not important " * * * until it appears that the art in fact knew the earlier steps, already taken". Thus it imposed on the patentee the improper burden not only of showing as a fact that the art had a familiarity with the British patent over and above its status of being a publication to the world of a patented invention, but also of explaining why persons familiar with the Siemens disclosure had not earlier met the need and demand for an automatic machine.

(10) In view of the delicate nature of the strips to be cut, Danziger's automatic machine included a provision for introducing a momentary tension on the strips at the instant when they are cut, so as to overcome the tendency of the strips to be pushed away from the knives at the instant of cutting. Claims 9 to 12 are combination claims including this provision.

(11) Respondent's machine complained of includes a pair of rolls which are operated to pinch one foil strip and the associated paper strips "At or just prior to the time when cutter 1 operates, * * * " (stipulated description R. 41). It was further stipulated "The machine is adjusted as accurately as possible so that the cutter 1 cuts at the time rolls 4 pinch together". This would impose tension on the strip for any condenser larger than 0.273 inch in diameter (R. 207). Respondent concededly makes condensers of such larger diameter.

(12) Respondent's machines thus included a provision for imposing the claimed tension, and respondent's making of these machines was in itself infringement of the patent in suit. However, use of the machine in making condensers having a diameter larger than 0.273 inch also involved infringement by use, even if the machine was used in an

infringing way only part of the time. Accordingly, the Court below held that claims 9 to 12 were infringed.

(13) The Second Circuit Court of Appeals, however, after conceding that “* * * it is true that there may be, and probably is, some such tension at the later stage of the winding of the larger condensers, and the Judge so found”, and further agreeing that the intent of the infringer is not material, and apparently agreeing that a machine which infringes part of the time is none the less an infringing machine, ruled that “* * * there comes a point where what may be literally a wrong is of too trifling importance to justify the intervention of a court”. It accordingly entered its judgment that the claims in suit were not infringed, in disregard of the law that the building of these machines was in itself an infringement, while the extent of use goes to the quantum of recovery rather than the fact of infringement.

JURISDICTION.

Jurisdiction of this Court is invoked under Section 240(a) of the Judicial Code, as amended by the Act of February 13, 1925; USC Title 28, Section 347(a). The judgment of the Circuit Court of Appeals was entered November 30, 1944.

QUESTIONS PRESENTED.

(1) Whether the Circuit Court of Appeals for the Second Circuit erred in holding that while Danziger is presumed to have known of the Siemens disclosure for the purpose of determining the magnitude of his step forward, he must prove that the rest of the art knew of the Siemens disclosure and must show why the art in spite of this knowledge failed to go forward from the Siemens disclosure to produce an automatic machine, and in so misinterpreting or misapplying the ruling of this Court in *Goodyear Tire & Rubber Company v. Ray-O-Vac*, 321 U. S. 275.

(2) Whether the Circuit Court of Appeals for the Second Circuit erred in entering a judgment of noninfringement notwithstanding that respondent made the machines complained of with the capacity for infringing use and used them in an infringing way for at least part of the time, and in speculating on the value of the involved function in the face of its adoption and use by respondent.

(3) Whether the Circuit Court of Appeals for the Second Circuit erred in holding claims 1 to 3 of the patent in suit invalid, and not holding each of them valid and infringed, and in holding claims 9 to 12 of the patent in suit not infringed, and not holding each of them valid and infringed, as decreed by the District Court for the Eastern District of New York, in view of the findings of fact of the trial court and the weight to be accorded them under the ruling of this Court in *Adamson v. Gilliland*, 242 U. S. 350, 353.

REASONS RELIED ON FOR THE ALLOWANCE OF THE WRIT.

The discretionary power of this Court to grant a writ of certiorari is invoked upon the following grounds:

(1) The Second Circuit Court of Appeals misinterpreted or unduly limited this Court's decision in *Goodyear Tire & Rubber Company v. Ray-O-Vac*, 321 U. S. 275, by reversing the District Court, whose decision conformed with the rulings of this Court, in its conclusion that the history of the art demonstrated that Danziger had made an invention in providing the combinations defined by claims 1 to 3. When the history of an art shows an unsatisfied need for a given development, this has long been recognized as persuasive evidence that it required an inventor to take the requisite step. The Second Circuit Court of Appeals has in effect shifted the burden from the defendant of establishing the invalidity of a patent (*Radio Corporation of America, et al., v. Radio Engineering Laboratories, Inc.*,

293 U. S. 1, 2 and 7) and imposed on the plaintiff the necessity of showing why others in the art failed to advance it before the advance can be taken as inventive. This is a question of wide public interest going to the validity of every extant patent.

(2) The Second Circuit Court of Appeals departed from the accepted and usual course of judicial proceedings, and is in conflict with the decisions of other Courts of Appeals, when it entered a judgment of noninfringement in disregard of the findings below that respondent had made the machines complained of with the capacity to infringe and there was infringing use at least part of the time. A given machine either infringes or it does not infringe. If it infringes the decree should be in conformity with the fact, and the Second Circuit Court of Appeals was in error when it reversed the lower court, not on the ground of disagreement with the finding that infringement had occurred, but because it substituted its own intuition that the value of the involved subject matter is small.

(3) Petitioner has pending two suits against the only other known infringers, one in the Southern District of New York and one in the Eastern District of New York, but as both of these suits are in the Second Circuit there is no apparent opportunity for further litigation that may result in a conflict of opinion between different Circuit Courts of Appeals. In view of the sharp diversity of opinion between the Second Circuit Court of Appeals and the trial Judge with respect to both validity and infringement of the Danziger patent in suit, and the likelihood that the patent in suit cannot be further litigated if the judgment of the Second Circuit Court of Appeals is allowed to stand, review by this Court is believed to be warranted under such decisions as:

Schriber-Schroth Co. v. Cleveland Trust Co. et al., 305 U. S. 47; *Paramount Publix Corp. v. American Tri-Ergon Corp.*, 294 U. S. 464; *Altoona*

Publix Theatres, Inc. v. American Tri-Ergon Corp., et al., 294 U. S. 477.

PRAYER.

Wherefore, your petitioner respectfully prays that a writ of certiorari be issued to the Circuit Court of Appeals for the Second Circuit to the end that this cause may be reviewed and determined by this Court; that the judgment of the Circuit Court of Appeals for the Second Circuit be reversed; and that petitioner be granted such other and further relief as may be proper.

CONDENSER CORPORATION OF AMERICA

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